

**Palmetto Utilities, Inc.**  
**Docket No. 2017-228-S**  
**Operating Experience & Operating Margin**  
**For the Test Year Ended March 31, 2017**  
**Wastewater Operations**

<u>Description</u>	(1) Application Per Books \$	(2) Accounting & Pro Forma Adjustments \$	(3) After Accounting & Pro Forma Adjustments \$	(4) Proposed Increase \$	(5) After Proposed Increase \$
<b><u>Utility Operating Revenues:</u></b>					
Wastewater Sales Revenues	14,874,059	184,101 (1)	15,058,160	4,143,744 (10)	19,201,904
Other Wastewater Revenues	1,382,353	0 (2)	1,382,353	(490,247) (11)	892,106
<b><u>Total Utility Operating Revenues</u></b>	<b><u>16,256,412</u></b>	<b><u>184,101</u></b>	<b><u>16,440,513</u></b>	<b><u>3,653,497</u></b>	<b><u>20,094,010</u></b>
<b><u>Utility Operating Expenses:</u></b>					
Operating Expenses	5,913,958	1,944,218 (3)	7,858,176	267,687 (12)	8,125,863
Depreciation and Amortization	1,637,601	1,580,752 (4)	3,218,353	0	3,218,353
Taxes Other Than Income Taxes	534,626	2,520,612 (5)	3,055,238	19,150 (13)	3,074,388
Income Taxes	2,918,256	(2,786,225) (6)	132,031	839,982 (14)	972,013
<b><u>Total Utility Operating Expenses</u></b>	<b><u>11,004,441</u></b>	<b><u>3,259,357</u></b>	<b><u>14,263,798</u></b>	<b><u>1,126,819</u></b>	<b><u>15,390,617</u></b>
<b><u>Total Net Utility Operating Income (Loss)</u></b>	<b><u>5,251,971</u></b>	<b><u>(3,075,256)</u></b>	<b><u>2,176,715</u></b>	<b><u>2,526,678</u></b>	<b><u>4,703,393</u></b>
Other Income and Deductions	(1,272,663)	1,272,663 (7)	0	0	0
Less: Interest Expense	2,145,274	(365,711) (8)	1,779,563	0	1,779,563
Add: Customer Growth	0	41,388 (9)	41,388	48,042 (15)	89,430
<b><u>Net Income for Margin</u></b>	<b><u>4,379,360</u></b>	<b><u>(3,940,820)</u></b>	<b><u>438,540</u></b>	<b><u>2,574,720</u></b>	<b><u>3,013,260</u></b>
<b><u>Operating Margin</u></b>	<b><u>26.94%</u></b>		<b><u>2.67%</u></b>		<b><u>15.00%</u></b>